

To: Renewable Advisory Board

From: Janice McClanaghan,
Energy Office

Date: July 7, 2004

Subject: Update

The following is the July 2004 monthly update for the Renewable Energy Fund:

Supply Programs

- 1) Energetech
 - a) Siting - Block Island is not a possibility for the demonstration as funding from CT and MA required that the project be connected to the grid. Also, the aim of the demonstration is not necessarily to maximize the output but to demonstrate the technology in a similar wave regime to that of the initial project at Port Kembla in Australia, including any commercial enhancements that are suggested by the operational observation period for Port Kembla.
 - b) Permitting – The developer met in Washington with two of the attorneys from its law firm Adler Pollock to discuss with FERC their Alternative Licensing Procedure and whether they will let the CRMC or the Army Corps administer the process on FERC's behalf.
 - c) Outreach - The developer (including the CEO, Tom Denniss) had excellent meetings in Rhode Island with primary constituent groups (lobstermen, fishermen, local condo association).
- 2) URI Wind Project – A teleconference was held with Vern Wyman, Assistant VP of Business and Finance, URI, to discuss the economics of a project. As a result of that phone call, a meeting is being set up with a developer to discuss third party ownership (in concept) and the long-term value of RECs.
- 3) Johnson and Wales University Wind Project – No update.
- 4) Portsmouth Abbey Wind – Portsmouth Abbey is quite interested in locating a wind turbine on its grounds. They are doing an internal analysis of the siting and economics of a 250 kW and larger machines.
- 5) Solar on Schools – Two RFPs, one for an installation contractor for schools and one for an equipment provider for the votech schools (which will do their own installations) have been issued by the Fund (by Entech Engineering).
- 6) PV RFP – The SolarWrights/Whole Foods project was notified of the Fund approving the incentive for that project. A short request for quotations has been written to obtain bids from marketers for an upfront lump sum payment for the RECs generated by the Chariho Public Schools project. CGS has been asked to “sharpen their pencil” on the 7 proposals they submitted by requiring more payments from the municipalities, considering different ownership structures to take advantage of federal tax incentives, etc. Discussions are ongoing as of this writing.

- 7) Royal Mills Hydro Feasibility Study - Struever Bros. Eccles & Rouse (SBER) is interested in determining the technical and institutional feasibility of reactivating hydropower at the existing power station at the mill complex. There are existing studies and a past FERC License that identified alternative retrofit plans for hydropower. SBER is interested in updating and expanding the results of this past work to be representative of current site, environmental and regulatory conditions; as well as determining the energy value and costs associated with alternative hydropower retrofit plans. SBER talked to 3 hydro engineering companies in the Northeast and received bids for the feasibility study from 2 of the engineers. They have chosen Turner Engineering to do the feasibility study (proposal is attached). The cost of the study is \$23,810; SBER is asking the Fund to cost share the study.
- 8) Concord Seafoods/Rome Packing Company Biodiesel Project – Rome Packing is a manufacturer and distributor of fresh seafood and value added seafood products that sells to supermarkets and specialty food stores nationwide. They use between 16,000 kwhr and 30,000 kwhr per month. The proposed project is to collect French fry grease from the stores to which they deliver locally and bring it back to their plant to process into biodiesel for onsite electricity production in a 15kW or 23 kW diesel generator. The biodiesel will be a 50/50 blend and the power production will offset 7500 kwhr of electrical consumption per month. The anticipated cost of the project as currently configured is up to \$18,000 (\$8000 for the installed biodiesel processor and tanks, and \$10,000 installed for the diesel generator, tank, and heated enclosure). The host is also looking into blending cleaned French fry grease without processing it, which is apparently feasible for on-site diesel generators but not automotive diesel engines.

Customer Demand Programs

- 9) Renewable Energy Customer Aggregation (RECA) RFP and Proposal to Large Customer Program:
 - a) RECA has received a draft contract and other supporting materials from CEI.
 - b) Commodity CFD (hedge) commitment so far is 31,500 MWH
 - c) RECs Commitment is 18,795 MWH
 - d) CEI wants 40,000 MWH in commodity CFD; Team has agreed to develop a letter to other RECA members and to TEC RI to get the last 8,500 MWH commitment
 - e) Concurrently, RECA members are getting a couple of minor upgrades to contracts (one CFD and one RECs) and taking them to legal
 - f) Organizations now believe that a realistic signature time is late August/early September
- 10) State House Green Power Purchase – Purchasing is reviewing the RFP.

Outreach

- 11) Smartpower – The CleanEnergyRI Campaign continues with radio, etc:
 - a) Next week the third direct mail piece will be sent to 140,000 homes.
 - b) SmartPower organized the media coverage for the Community Energy “Blade” event at Whole Foods in Providence.
 - c) Smartpower sponsored the Cox Cycling Classic - an event and opportunity that allowed Smartpower to display the CleanEnergyRI.com banner and meet people in the target market group (outdoor enthusiasts). Community Energy also joined Smartpower at the event.
 - d) “After” polling to determine the impact of the Campaign will be scheduled soon.

- 12) Think Energy – RECA Workshop for large consumers is tentatively being scheduled for October 7, 2004. The invitation list for the workshop was obtained through three main sources: Mark Crowdis' meetings with many businesses in the state; the Rhode Island's Top 100 Employers list by the Rhode Island Economic Development Corporation; and the Providence Business News 2003 Book of Lists.

Administration

- 13) Website – The Fund's website can be reviewed (<http://www.riseo.state.ri.us/riref/>). Please let us know of any feedback, edits or changes you would like to see as soon as possible.